

**CHAPTER NO. 408**

**HOUSE BILL NO. 1734**

**By Representatives Arriola, McAfee, Ulysses Jones, Cooper, Towns, Miller, Lois DeBerry**

**Substituted for: Senate Bill No. 487**

**By Senators Haynes, Harper**

AN ACT to amend Tennessee Code Annotated, Section 65-28-103, relative to natural gas pipeline corporations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 65-28-103, is amended by designating the current language as subsection "(a)" and by adding the following new language to be designated as subsection "(b)":

(b)(1) As a pilot project through the end of the year 2001, and notwithstanding any state or local law to the contrary, any intrastate natural gas pipeline corporation, subject to regulation by the Tennessee Regulatory Authority as a public utility, may transport natural gas to end users in Tennessee only if such natural gas is produced from Tennessee wells located in any county contained within the 2<sup>nd</sup>, 4<sup>th</sup>, 5<sup>th</sup>, 6<sup>th</sup>, 7<sup>th</sup> or 12<sup>th</sup> Senatorial Districts and or in the smallest county by population located in the 15<sup>th</sup> Senatorial District, as these districts exist on the effective date of this act, and only if the end users of such natural gas are located in the above referenced counties. Such intrastate natural gas pipeline corporations shall not transport intrastate natural gas to end users that are served by a municipal utility or by a utility district or within a utility district's chartered service area on the effective date of this act unless:

(A) the end user has been served by an interstate pipeline; or

(B) at the option of the utility district or municipal utility, such intrastate natural gas pipeline or end user assumes any contractual obligation of the utility district or municipal utility to an interstate natural gas pipeline incurred on behalf of such end user which remains after termination of service by such end user prior to the end of the term of the contract, tariff or other arrangement pursuant to which the end user receives service.

(2) At the option of the utility district or municipal utility, such intrastate natural gas pipeline may serve end users not now being served by a municipal utility or by a utility district or within a utility district's chartered service area. This subdivision shall not prohibit service to end users specifically authorized to be served in accordance with subdivision (1)(A) of this subsection.

SECTION 2. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: May 27, 1999



JIMMY RAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES



JOHN S. WILDER  
SPEAKER OF THE SENATE

APPROVED this 17th day of June 1999



DON SUNDQUIST, GOVERNOR